



DISASTER NEWS

Economic Injury Loans for Small Businesses

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Contact: Frank A. Adinolfi or Matt Young

Release Number: 05 - 270, MN 10148

Phone: 404-347-3771

SBA DISASTER LOANS AVAILABLE FOLLOWING SECRETARY OF AGRICULTURE DISASTER DESIGNATION

MINNEAPOLIS - The U.S. Small Business Administration (SBA) announced today that federal disaster loans are available to small, non-farm, agriculture-dependent businesses located in the primary counties of Anoka, Benton, Carver, Chisago, Clay, Grant, Hennepin, Isanti, Kanabec, McLeod, Mille Lacs, Morrison, Pine, Pope, Sherburne, Steele, Wabasha, Wilkin, Wright and contiguous counties of Aitkin, Becker, Carlton, Cass, Crow Wing, Dakota, Dodge, Douglas, Freeborn, Goodhue, Kandiyohi, Meeker, Mower, Norman, Olmsted, Otter Tail, Ramsey, Renville, Rice, Scott, Sibley, Stearns, Stevens, Swift, Todd, Traverse, Waseca, Washington and Winona in the State of Minnesota.

“SBA’s disaster declaration was issued as a result of a similar action taken by the Secretary of Agriculture to help farmers recover from damages and losses to crops caused by severe cold, excessive moisture, lack of snow cover, etc., that occurred from November 1, 2004 through April 30, 2005,” according to SBA Acting Disaster Area Director Frank Skaggs.

Under this declaration, SBA’s Economic Injury Disaster Loan (EIDL) program is available to small, non-farm, agriculture-dependent businesses and small agricultural cooperatives that suffered economic injury as a direct result of the weather’s effect on agricultural producers. A business that sells goods/services to agricultural producers may be unable to pay bills and/or meet expenses because of the reduced purchasing power of the farmers and ranchers. Examples of eligible businesses are, but not limited to, farm implement dealers, seed and feed stores and spraying and irrigation businesses.

Eligible small businesses may qualify for loans of up to 1.5 million. These loans are available at a 4 percent interest rate with loan terms up to 30 years. SBA determines eligibility for the program based on the size and type of business and its financial resources. Loan amounts and terms are set by SBA and are based upon each applicant’s financial condition. Under this disaster declaration, SBA can not provide loans to agricultural producers, and cannot provide loans to non-agricultural dependent businesses.

“SBA can help these small businesses overcome their economic injuries by offering these working capital loans, but the help can’t start until they apply,” Skaggs added.

Interested business owners should contact SBA by calling the toll-free at 1-800-659-2955 or 800-877-8339 for the hearing impaired or visit SBA’s website at www.sba.gov/disaster for more information and to obtain a loan application. Completed applications should be returned to: U.S. Small Business Administration Disaster Assistance, 14925 Kingsport Highway, Fort Worth, TX 76155. Completed loan applications must be returned to SBA no later than March 20, 2006.

For more information visit SBA’s website at www.sba.gov/disaster

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SBA Disaster Assistance Office - Area 2—One Baltimore Place, Suite 300—Atlanta, GA 30308